

## No. 367

## AN ACT

## SB 780

Concerning motor vehicle physical damage appraisers; providing for the licensing of persons engaged in appraising physical damages to motor vehicles; fixing fees and prescribing unlawful acts and penalties.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short Title.—This act shall be known and may be cited as the “Motor Vehicle Physical Damage Appraiser Act.”

Section 2. Definitions.—As used in this act:

(1) “Appraiser” means a motor vehicle physical damage appraiser. This shall include all persons in this State who practice the appraisal of motor vehicle physical damage.

(2) “Commissioner” means the Insurance Commissioner of the Commonwealth of Pennsylvania.

(3) “Insurer” includes all companies, associations and exchanges engaged in the insurance business of insurance and self-insurers.

Section 3. Licenses; Examination; Fees.—(a) No person shall directly or indirectly act or hold himself out as an appraiser unless such person has first secured a license from the commissioner in accordance with the provisions of this act.

(b) Except as otherwise provided in section 8 of this act, no person shall be granted an appraiser’s license unless he shall first establish his qualifications therefor and shall take and pass an examination for appraisers.

An applicant for such examination shall be at least eighteen years of age; shall be a resident of the Commonwealth of Pennsylvania, or a resident of any other state or country which permits residents of this Commonwealth to act as appraisers in such other state or country; shall be trustworthy; and shall otherwise establish to the satisfaction of the commissioner that he has had experience or special education or training with reference to the business of the appraising of physical damages to motor vehicles of sufficient duration and extent reasonably necessary to make him competent to fulfill the responsibilities of an appraiser.

Applications for an examination as appraiser shall be made to the commissioner upon forms prescribed and furnished by him and shall be accompanied by the proper fee. Applicants shall provide the commissioner with such information concerning his identity and personal history, and such other information as shall be necessary to establish his qualifications to take the examination.

(c) The commissioner shall prepare and make available to applicants a manual or instructions setting forth in general terms the subject matter to be covered in the examinations.

(d) The examination for licensure which shall be given under the supervision of the commissioner shall consist of a written examination that shall include the act of appraising one or more damaged motor vehicles and shall be supplemented by an oral examination. At the discretion of the commissioner an oral examination in lieu of the aforesaid written examination may be given but only for reason of an applicant's physical handicap. An oral examination shall include the act of appraising one or more damaged motor vehicles. They shall be given at reasonable times and places within the Commonwealth. Any applicant who fails to pass such examination shall not be eligible to retake an examination for thirty days from the date of such failure.

(e) The fee to be paid to the commissioner by an applicant for an appraiser's license shall be ten dollars (\$10) at the time the application is made and ten dollars (\$10) annually for the renewal thereof. In the event of failure to pass the examination, the fee of ten dollars (\$10) shall not be returnable.

(f) The commissioner shall prescribe the form of the appraiser's license and it shall contain:

(1) The name of the appraiser.

(2) The address of the appraiser's place of business.

(3) Date of issuance and expiration date of license.

(4) Any other information which the commissioner determines is necessary.

(g) The commissioner shall issue an appraiser's license to every person who applies therefor, pays the proper fee, passes the required examinations and otherwise is found by the commissioner to possess the necessary qualifications for licensure under this act.

Section 4. Expiration; Renewal of Licenses.—(a) An appraiser's license shall expire annually at midnight of June thirtieth next following the date of issuance.

(b) Subject to the right of the commissioner to suspend, revoke, or refuse to renew an appraiser's license, any such license may be renewed for another annual period commencing the first day of July and expiring at midnight of June thirtieth next following by filing with the commissioner on or before the expiration date a written request, by or on behalf of the licensee, for such renewal, accompanied by payment of the renewal fee.

(c) If the request and fee for renewal of license is filed with the commissioner prior to the expiration of the existing license, the licensee may continue to act under such license, unless sooner revoked or suspended, until the issuance of renewal license or until the expiration of five days after the commissioner has refused to renew the license and has mailed notice of such refusal to the licensee. Any request for renewal not so filed until after date of expiration may be considered by the commissioner as an application for a new license.

Section 5. Suspension Period; Surrender of License and Reinstatement or Relicensing of Licensee.—Every order suspending any such license shall specify the period during which suspension will be effective, which shall in no event exceed twelve months.

The holder of any license which has been revoked or suspended shall surrender the license to the commissioner at his request.

The commissioner shall not reinstate the license or relicense any licensee or former licensee whose license has been suspended, revoked or renewal refused while the cause for the suspension, revocation or refusal of such license persists.

Section 6. Denial, Suspension, Revocation of or Refusal to Renew License.—The commissioner may deny initial issuance of, suspend, revoke, or refuse to renew any appraiser's license for any cause specified in any other provision of this act, or for any of the following causes:

(1) For any cause for which issuance of the license could have been refused had it been existent and been known to the commissioner.

(2) If the licensee wilfully violates or fails to comply with or knowingly participates in the violation of or failure to comply with any provision of this act or any rule or regulation promulgated thereunder.

(3) If the licensee has obtained or attempted to obtain any such license through wilful misrepresentation or fraud, or has failed to pass any examination required under this act.

(4) If the licensee has, with intent to deceive, materially misrepresented the terms or effect of any insurance contract; or has engaged or is about to engage in any fraudulent transaction.

(5) If the licensee has been convicted, by final judgment, of a felony.

(6) If in the conduct of his affairs under the license, the licensee has shown himself to be, and is so deemed by the commissioner, incompetent, or untrustworthy, or a source of injury and loss to the public.

Section 7. Notice; Hearing; Appeals.—Except as otherwise herein provided all actions of the commissioner shall be taken subject to the right of notice, hearing and adjudication, and the right to appeal therefrom as provided by law.

Section 8. License Without Examination; Application.—Upon the payment of a fee of ten dollars (\$10) any person who has been employed or engaged for a period of not less than two years prior to the submission of such application in the appraising of physical damages to motor vehicles and is currently so engaged shall be licensed without examination as an appraiser if the application is made on or before July 1, 1973 and the applicant possesses the qualifications required of applicants as provided in section 3 of this act.

Section 9. Penalties.—Any person who violates any of the provisions of this act is guilty of a misdemeanor and upon conviction thereof, for each offense, shall be sentenced to pay a fine not exceeding five hundred dollars (\$500), or to undergo imprisonment not exceeding one year, or both.

Section 10. Rules and Regulations.—The Insurance Commissioner is hereby charged with the administration and enforcement of this act and shall prescribe, adopt and promulgate rules and regulations in connection therewith.

Section 11. Compliance with Act.—(a) Each appraiser, while engaged in appraisal duties, shall carry the license issued to him by the Insurance Department and shall display it, upon request, to an owner whose vehicle is being inspected, to the repair shop representative involved or to any authorized representative of the Insurance Department.

(b) The appraiser shall leave a legible copy of his appraisal with that of the repair shop selected by the consumer to make the repairs and also furnish a copy to the owner of the vehicle. This appraisal shall contain the name of the insurance company ordering it, if any, the insurance file number, the number of the appraiser's license and the proper identification number of the vehicle being inspected. All unrelated or old damage should be clearly indicated on the appraisal which shall include an itemized listing of all damages, specifying those parts to be replaced or repaired. Because an appraiser is charged with a high degree of regard for the public safety, the operational safety of the vehicle shall be paramount in considering the specification of new parts. This consideration is vitally important where the parts involved pertain to the drive train, steering gear, suspension units, brake system or tires.

(c) No appraiser shall secure or use repair estimates that have been obtained by the use of photographs, telephone calls or in any manner other than a personal inspection.

(d) No appraiser or his employer shall require that repairs be made in any specified repair shop.

(e) Every appraiser shall promptly reinspect damaged vehicles prior to the repairs in question when supplementary allowances are requested by repair shops and the amount or extent of damages is in dispute.

(f) Every appraiser shall:

(1) Conduct himself in such a manner as to inspire public confidence by fair and honorable dealings.

(2) Approach the appraisal of damaged property without prejudice against, or favoritism toward, any party involved in order to make fair and impartial appraisals.

(3) Disregard any efforts on the part of others to influence his judgement in the interest of the parties involved.

(4) Prepare an independent appraisal of damage.

(5) Inspect a vehicle within six working days of assignment to the appraiser unless intervening circumstances (i.e. catastrophe, death, failure of the parties to cooperate) render such inspection impossible.

(g) No appraiser shall:

(1) Receive directly or indirectly any gratuity or other consideration

in connection with his appraisal services from any person except his employer or, if self-employed, his customer.

(2) Traffic in automobile salvage if such salvage is obtained in any way as a result of appraisal services rendered by him for his own benefit.

Section 12. Legislative Intent.—It is not contemplated that this act shall apply where no appraisal has been assigned. Recognition is given to the fact that many minor damage claims do not require a formal appraisal and to require such would be an undue burden upon the parties involved.

Section 13. Severability.—If any section, subsection, subdivision, paragraph, sentence or clause of this act is held invalid or unconstitutional, such decision shall not affect the remaining portions of this act and to this end the provisions of this act are declared to be severable.

Section 14. Effective Date.—This act shall take effect January 1, 1973.

APPROVED—The 29th day of December, A. D. 1972.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 367.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive, flowing style.

*Secretary of the Commonwealth.*